

Message From United States Attorney

Mike Heavican

I am pleased to provide this report on the 2005 activities of the United States Attorney's Office for the District of Nebraska. Throughout the year, we worked to guard against terrorism, to make our communities safer, and to fight drug abuse and fraud. In 2005, we filed an unusually high number of public corruption cases. We continued many of the programs initiated in recent years, including Project Safe Neighborhoods and Weed & Seed. We also worked to effectively represent the interests of the United States and its agencies, officers, and employees in civil litigation throughout the District.



The hard work and dedication of the employees of the United States Attorney's Office, and those of the agencies and organization with whom we work, led to success both in litigation and in various efforts designed to make our communities safer and more secure. The extraordinary level of cooperation between federal, state, and local law enforcement agencies and prosecutors throughout Nebraska greatly enhances the effectiveness of law enforcement in our District, and makes my work truly rewarding. Thank you to all who assisted in our continuing efforts to make the District of Nebraska a better place.

Michael G. Heavican
United States Attorney
District of Nebraska

The District of Nebraska ■■

The District of Nebraska includes the entire State of Nebraska, which comprises 93 counties with an area of nearly 77,000 square miles. In 2005, the estimated population of Nebraska was more than 1.76 million. From the large metropolitan areas of Omaha and Lincoln to smaller towns and expansive rural areas, Nebraska is geographically and culturally diverse. The State has a mixed economy, with substantial agriculture and agribusiness sectors as well as significant manufacturing, technological and service components. More than 95 percent of Nebraska's land is farm and ranch land, and the State is a national leader in crop and livestock production. Despite the largely rural character of Nebraska's landscape, more than two-thirds of the District's residents live in cities and towns with a population greater than 2,500. Several Fortune 500 companies, including Berkshire Hathaway, Inc., ConAgra Foods, Inc., The Mutual of Omaha Companies, and Union Pacific Corporation, are headquartered in Nebraska. Others have substantial operations in the District.



Downtown Omaha

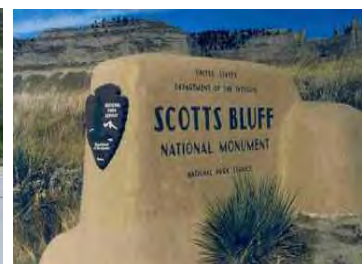
The United States Strategic Command is headquartered at Offutt Air Force Base, located just south of Omaha in Bellevue. Various other federal enclaves, including the Niobrara National Scenic River, the Missouri National Recreational River, and several National Monuments, Historic Sites, National Wildlife Refuges, and U.S. Army Corps of Engineers recreational sites are located throughout Nebraska. The U.S. Department of Agriculture operates several facilities in the District, including research facilities, national forests, and a national grassland. There is a Veterans Affairs Hospital in Omaha, and the Department of Veterans Affairs operates outpatient clinics in Lincoln and Grand Island. The Indian Health Service operates a hospital in Winnebago.



Offutt Air Force Base



Niobrara National River

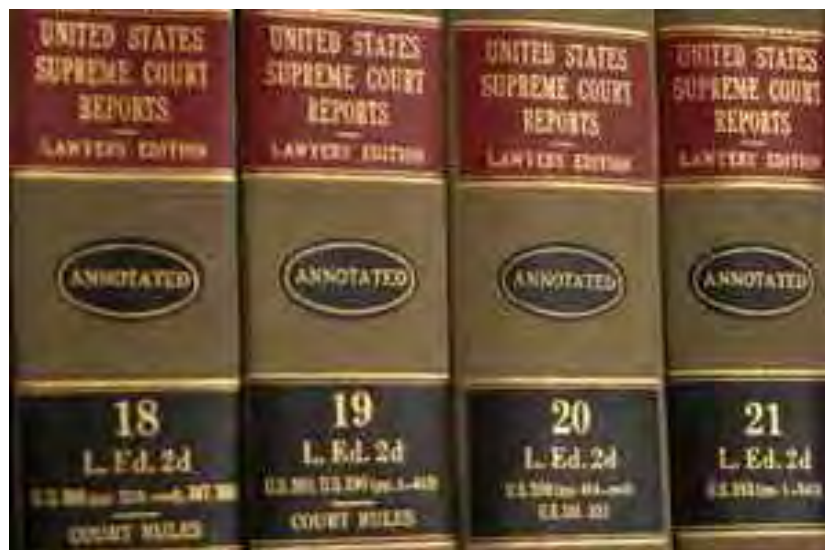


Scottsbluff National Monument

Three Indian reservations, for the Omaha, Winnebago, and Santee Sioux Tribes, are located in northeast Nebraska, and the Ponca Tribe of Nebraska is headquartered in the State. Small areas of the Sac and Fox, the Iowa, and the Pine Ridge Indian Reservations are also located in Nebraska.

Numerous federal agencies maintain offices in Nebraska and work extensively with the United States Attorney's Office. These agencies include the Federal Bureau of Investigation, Drug Enforcement Administration, Bureau of Alcohol, Tobacco, Firearms and Explosives, Marshal's Service, Secret Service, Internal Revenue Service, Postal Service, Department of Agriculture, Department of Defense, Department of Homeland Security, National Park Service, Social Security Administration, Department of Veterans Affairs, and others. The United States Attorney's Office also works with federal agencies located outside Nebraska, such as the Department of Education, Environmental Protection Agency, and the Department of Health and Human Services. Many of the cases and initiatives discussed in this report involved one or more of these federal agencies.

The citizens of Nebraska have long benefitted from enhanced law enforcement resulting from well-developed cooperative relationships between federal, state and local agencies throughout the District. Several joint task forces have been created to facilitate effective investigation and prosecution of criminal offenses, especially those involving drugs and violent crime. Some of the accomplishments of those groups are described in this report.



The United States Attorney's Office

As part of the United States Department of Justice, United States Attorneys serve as the nation's principal litigators under the direction of the Attorney General. There are 93 United States Attorneys stationed throughout the United States, Puerto Rico, the Virgin Islands, Guam, and the Northern Mariana Islands. United States Attorneys are appointed by and serve at the discretion of the President, with advice and consent of the United States Senate. Each United States Attorney is the chief federal law enforcement officer within his or her particular jurisdiction.

As the chief federal law enforcement officer for Nebraska, United States Attorney Mike Heavican oversees all federal criminal prosecutions in the District, as well as most civil litigation involving the United States and its officers and agencies. Mr. Heavican was named interim United States Attorney in April 2001, and was confirmed as the presidentially appointed United States Attorney for Nebraska on September 21, 2001. He joined the United States Attorney's Office in March 1991 as an Assistant United States Attorney in the Omaha Criminal Division. During his tenure in the Office, he has also served as Acting First Assistant, and as Criminal Chief. Mr. Heavican worked in the Lancaster County Attorney's Office from 1975-1990, serving as Lancaster County Attorney from December 1981-1990. He began law school in 1972 and obtained his Juris Doctorate in December 1974 from the University of Nebraska College of Law. A native of Nebraska, he attended the University of Nebraska in Lincoln as an undergraduate and received a B.A. from that institution in 1969.

United States Attorney Heavican served as a member of the United States Attorney General's Advisory Committee (AGAC) from 2001 to 2003, and as Chair of the AGAC's Controlled Substances Subcommittee from 2001 to September 2004. He is currently a member of the Native American Issues Subcommittee and the Regional Information Sharing System Working Group of the AGAC.

DEPARTMENT OF JUSTICE MISSION STATEMENT

"to enforce the law and defend the interests of the United States according to the law; to ensure public safety against threats foreign and domestic; to provide federal leadership in preventing and controlling crime; to seek just punishment for those guilty of unlawful behavior; to administer and enforce the nation's immigration laws fairly and effectively; and to ensure fair and impartial administration of justice for all Americans."

United States Attorney Heavican supervises a staff of 25 Assistant United States Attorneys (AUSAs) and more than 40 support personnel working in offices located in Omaha and Lincoln. Attorneys from the County Attorney's Offices for Douglas, Lancaster, and Hall Counties, as well as attorneys from several federal agencies, have been designated as Special AUSAs to assist with criminal or civil litigation in the District. Most cases handled by Nebraska's AUSAs and Special AUSAs are heard in United States District Court or United States Bankruptcy Court in Omaha, Lincoln, or North Platte. A number of civil cases are heard in state courts throughout the District.



Roman L. Hruska
U.S. Courthouse
Omaha, Nebraska



Robert V. Denney
Federal Building
Lincoln, Nebraska



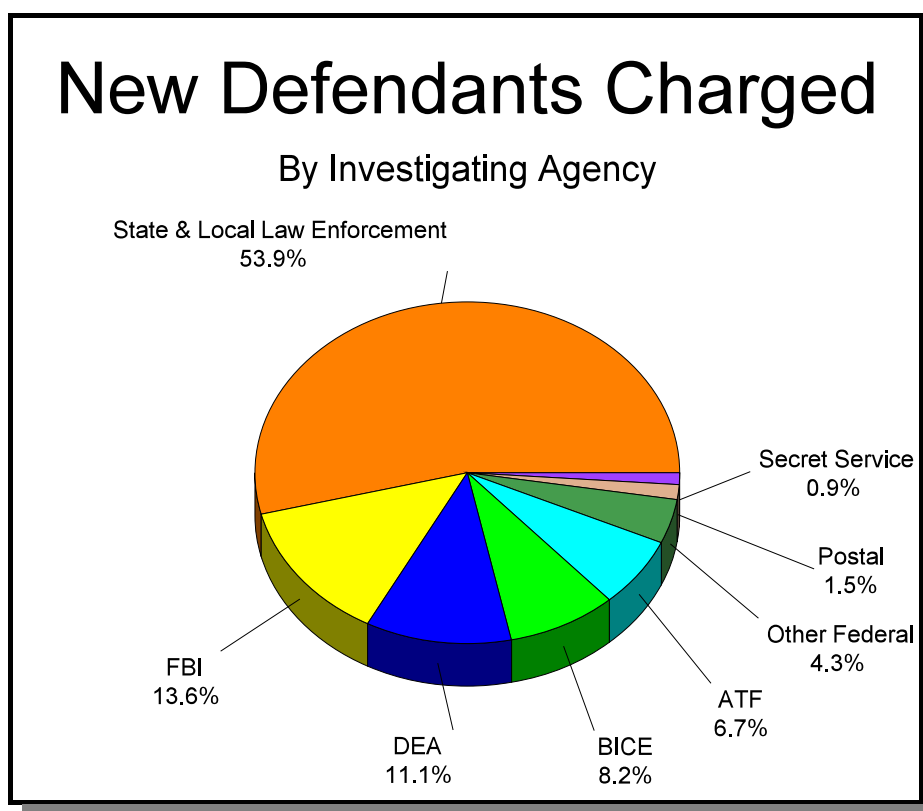
Federal Office Building
U.S. Courthouse
North Platte, Nebraska

The United States Attorney's Office is made up of several components. The Criminal Division, which includes the General Crimes Unit and the Drug Prosecution Unit, prosecutes violations of federal criminal law. The General Crimes Unit is supervised by Criminal Chief Jan Sharp. The Drug Prosecution Unit is supervised by Organized Crime/Drug Enforcement Task Force (OCDETF) Chief William Mickle. The Civil Division, supervised by First Assistant Sally Johnson, represents the United States and its agencies, officers, and employees in affirmative and defensive civil litigation in federal and state courts. The operations in the Lincoln branch office are supervised by Branch Chief Steven Russell. The Law Enforcement and Community Coordination (LECC) Unit, supervised by LECC Manager Joseph Jeanette, maintains partnerships between law enforcement agencies, coordinates training conferences, and provides information and assistance related to federal grants for law enforcement. The Administrative Unit, supervised by Administrative Officer Denise Smith, supports the operations of all components of the Office.

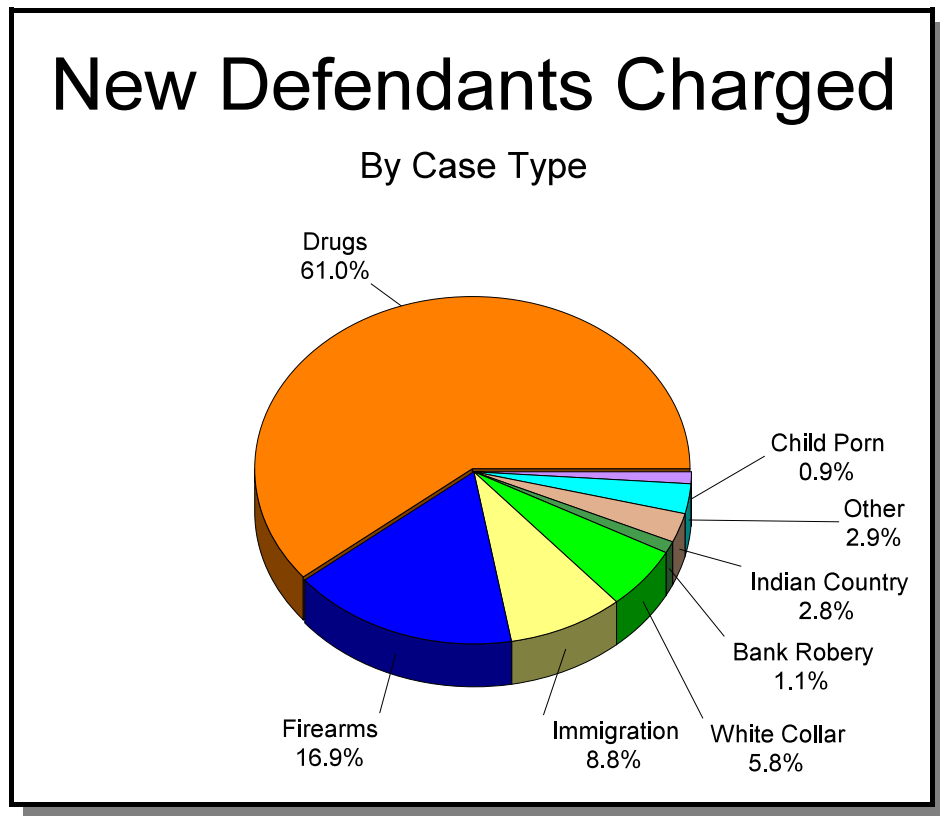
The Criminal Division ■

Working closely with federal, state, tribal and local law enforcement agencies and prosecutors, the attorneys in the Criminal Division of the United States Attorney's Office develop investigations of violations of federal criminal laws for presentation to a federal grand jury. If the grand jury returns an indictment, Criminal Division attorneys then prosecute the defendants named in the indictment in federal district court cases in Omaha, Lincoln, or North Platte.

In 2005, the United States Attorney's Office filed nearly 600 indictments and informations, charging 801 defendants. The cases filed resulted from investigations conducted by a great number of law enforcement agencies. The chart below reflects the identity of some of those agencies.



The majority of the criminal cases filed in 2005 involved charges related to illegal drugs, but a growing number charged violations of federal firearms laws. The chart below reflects the nature of the cases filed.

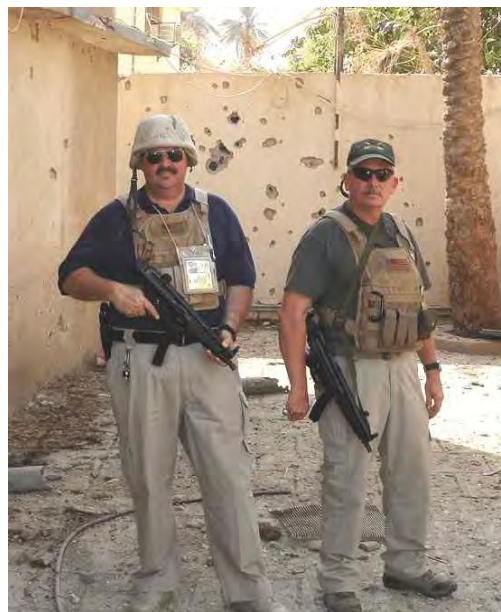


In 2005, the Criminal Division continued to focus its efforts on areas identified as national priorities by the Department of Justice. Those areas include anti-terrorism, assuring the safety of our communities through reduction of gun violence, drug enforcement, and white collar crime, including crimes affecting children and public corruption cases. In Nebraska, the United States Attorney's Office also placed special emphasis on law enforcement in Indian Country. Because of a United States Supreme Court ruling affecting federal sentencing in federal criminal cases throughout the country, resentencing was required in several cases in the District of Nebraska in 2005.

A. Anti-Terrorism

The first priority of the Department of Justice continues to be the fight against terrorism, both international and domestic. The United States Attorney's Office has committed significant resources to this effort. In 2005, two members of the Office staff took personal, direct action in the war on terror. AUSA Bob Cryne and Intelligence Research Specialist Jerry McNinch worked on extended details in Iraq for the Regime Crimes Liaison's Office (RCLO), United States Department of Justice. Their mission was to advise and assist the Iraqi High Tribunal in its historic task of investigating and prosecuting Saddam Hussein and other high officials of the former Ba'ath Socialist government of Iraq. AUSA Cryne, who was deployed to Iraq from July 2005 until April 2006, advised and mentored Iraqi investigators, prosecutors, and judges involved in the trial of Genocide, War Crimes, and Crimes

Against Humanity. Among other tasks, he was personally involved in preparations for the prosecution of Saddam Hussein. Intelligence Research Specialist McNinch, who left for Iraq in April 2005, served as Director of Operations for the RCLO. He coordinated the investigation and prosecution of war crimes, directed Security Operations for the RCLO, and was primarily responsible for RCLO Mass Grave Operations in the pursuit of evidence against the former regime. He completed his detail in nine months, but was asked to return to Iraq and did so, in the capacity of Associate Deputy Regimes Crimes Liaison. His new duties included oversight of all RCLO Operations and acting as a special advisor to the Regime Crimes Liaison.



USAO employees Robert Cryne and Jerry McNinch on detail in Iraq

On the domestic front, the United States Attorney's Office has continued its efforts to prevent acts of terrorism in the United States, and to establish programs to assure effective response in the event of an incident. Working closely with the FBI and others, the United States Attorney's Office has created communications networks which enable law enforcement agencies to share information concerning possible terrorist activity. Office staff regularly review intelligence on potential terrorist activity in the District with various law enforcement agencies. The United States Attorney's Office continues to host meetings of Nebraska's Anti-Terrorism Advisory Council (ATAC) which is made up of representatives of federal, state, and local law enforcement agencies, as well as other organizations involved in the fight against terrorism. Nebraska's ATAC meetings provide an opportunity for the participating agencies and organizations to share information on all

issues related to terrorism. At ATAC meetings and elsewhere, United States Attorney's Office personnel have provided training on topics related to terrorism and domestic security, including recognition of "pre-incident" indicators, agri-terrorism, vehicle borne improvised explosive devices, terrorist funding, and airport security.

The United States Attorney's Office also has worked with entities involved in emergency preparedness and infrastructure protection throughout Nebraska in order to improve and maintain the effectiveness of terrorism response plans. In March of 2005, the Office co-hosted a terrorism training conference entitled *Protecting Nebraska's Critical Infrastructures* in cooperation with the Nebraska Governor's Office and several utility companies, under a coalition known as the Nebraska Infrastructure Security Forum. The forum was designed to allow law enforcement officials, emergency management personnel, medical and public health professionals, and executives from public and private transportation, banking, energy, agriculture, and communications entities to exchange ideas directly relevant to Homeland Security issues.

In order to increase the effectiveness of information sharing in the fight against terrorism, the United States Attorney's Office has placed videoconferencing equipment in State Patrol troop headquarters located throughout Nebraska. The equipment is interconnected, and connected to the United States Attorney's Office videoconferencing equipment. The network allows law enforcement personnel in distant parts of the District to participate in ATAC meetings at the nearest troop headquarters rather than by traveling to Omaha. The network is also available to agencies for use in all types of criminal investigations, and has greatly enhanced the ability of law enforcement personnel to share information quickly and efficiently.



B. Gun Violence Reduction



Reducing the threat and incidence of violent crime, especially from the illegal use of guns, continues to be a national priority of the Department of Justice. A primary means of accomplishing this priority has been Project Safe Neighborhoods, which is a nationwide initiative that encourages the strategic use of federal prosecution of gun offenses to deter violent crime.

Through Project Safe Neighborhoods, federal funding has been made available to support gun violence reduction strategies, to hire new federal and state prosecutors, to support criminal investigators, to provide training, to distribute gun lock safety kits, to deter juvenile gun crime, and to promote community outreach efforts. Each United States Attorney establishes partnerships between federal, state and local law enforcement agencies and other groups in an intensive offensive against gun crime.

In the District of Nebraska, Project Safe Neighborhoods is coordinated by a statewide Task Force made up of law enforcement officials from several state and local agencies, business leaders, researchers, and public relations experts. The Task Force has designed a proactive approach to fight gun violence throughout Nebraska, with particular emphasis on areas experiencing the greatest incidence of gun violence. As part of the program, the United States Attorney's Office has worked closely with the Omaha Police Department, the Douglas County Attorney's Office, Weed and Seed organizations in North and South Omaha, and law enforcement agencies throughout the State to implement plans to reduce gun violence.

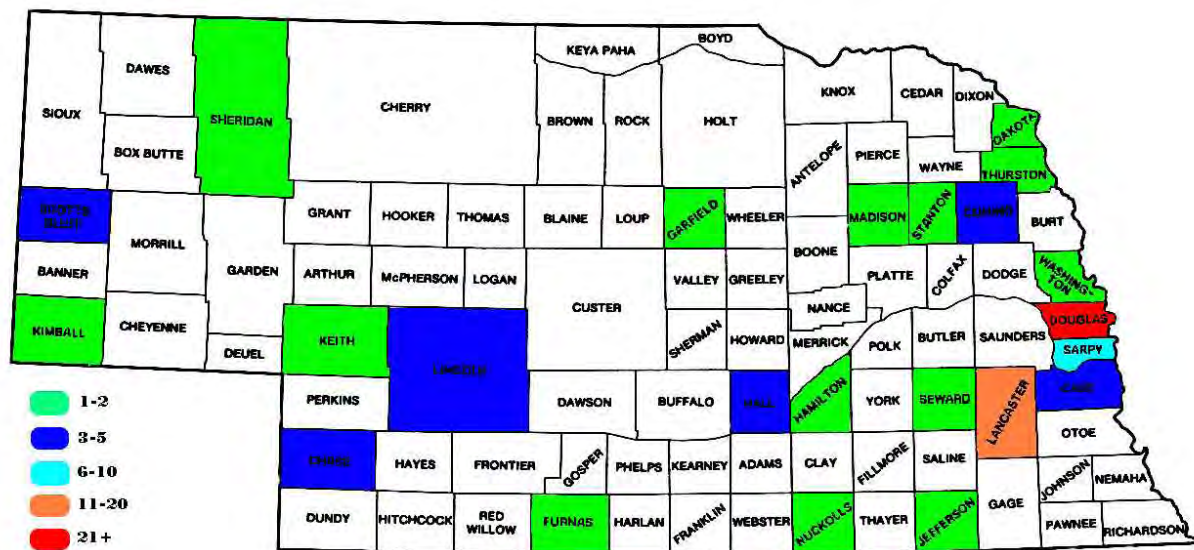
The District of Nebraska's Project Safe Neighborhoods program employs specific strategies developed to address the problem of gun violence as it exists in the District. As part of the Project, the United States Attorney's Office attempts to identify



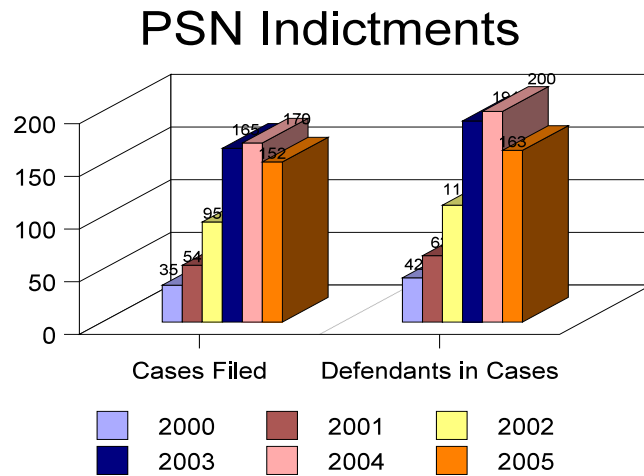
A local youth displays the winning anti-gun violence t-shirt design sponsored by PSN.

those individuals who present the most serious threats to their respective communities, and to make those persons the subject of intense scrutiny and federal prosecution. Reports of gun-related incidents, maps of the location of incidents involving gun violence, and statistical information reflecting gun violence are reviewed to determine the most effective strategies for addressing the problem.

2005 PSN Indictments by County



The Project Safe Neighborhoods program has resulted in a significant increase in the number of gun charges prosecuted in federal court. The number of federal firearms charges filed in Nebraska increased dramatically after 2000, when the program was initiated. In 2005, Project Safe Neighborhoods resulted in the return of 152 indictments charging 163 defendants. Many were previously convicted felons who illegally possessed firearms. Some of the cases were “gun only” cases while others involved additional charges, including robbery and various drug offenses.



Measurement of the effectiveness of Project Safe Neighborhoods strategies is ongoing. Available evidence shows that the Project has had a positive effect in diminishing the incidence of violent crime. For example, there was a decrease of 12% in the number of gun violence incidents, and 21% in the number of shots fired reports, for the City of Omaha from 2002 to 2003. The effects were even more dramatic in Northeast Omaha, an area of focus for Project Safe Neighborhoods, where there was a 24% reduction in gun violence incidents and a 43% decrease in shots fired reports from 2002 to 2003. The number of crimes involving gun violence continued to decrease from 2003 to 2004: shots fired calls in the City of Omaha decreased from 1690 to 1595, assaults with a gun decreased from 312 to 298, and homicides with guns decreased from 23 to 15. Although the number of shots fired calls and homicides with guns rebounded in 2005, the number of assaults with guns again decreased, by nearly 10%, from 2004 to 2005.

Through community outreach activities designed to prevent gun violence from occurring in the first instance, strategic investigation tactics, and aggressive prosecution of offenders who engage in gun violence, Project Safe Neighborhoods has had an impact in reducing gun violence in Nebraska. Continued success can be expected as federal, state and local agencies and organizations work together to realize this important goal.

■ Project Safe Neighborhoods Cases

United States v. Francis Schram, et al.

Francis Schram was a federal firearms licensee selling guns from Bellevue True Value Hardware, which led the State of Nebraska in gun traces for a number of years. In an undercover operation conducted by the Bureau of Alcohol, Tobacco and Firearms a number of cooperating witnesses went to the store with undercover agents to attempt straw purchases of guns. On three separate occasions a cooperating witness told either Schram or one of his employees that he was a prohibited person due to a prior conviction for a felony or a misdemeanor crime of domestic violence, and acquired a firearm by placing the firearm in the undercover agent's name. Schram and two employees, Lucille Erisman and Donald Brown, entered pleas of guilty to the knowing sale of firearms to a prohibited person. Each was sentenced to imprisonment for a year. Schram also voluntarily surrendered his federal firearms license and was fined \$17,000.

United States v. Roosevelt Jackson

Roosevelt Jackson was indicted after acquiring 25 firearms from Bellevue True Value Hardware and distributing those firearms to others. Jackson entered a plea of guilty to an indictment charging him with false statements in the acquisition of firearms. He is currently awaiting sentence.

United States v. Tavares Jenkins

Tavares Jenkins acquired firearms from Roosevelt Jackson and sold them to Omaha Police officers acting in an undercover capacity. He was indicted for possessing and selling firearms with obliterated serial numbers and was sentenced to a two-year term of imprisonment.



Bellevue True Value Hardware

United States v. Roosevelt Erving, Jr.

Roosevelt Erving Jr. was indicted, convicted, and sentenced for committing 13 bank robberies in Lincoln between July 2000 and January 2005, during which he stole a total of \$442,709. Erving was armed with a handgun during the robberies. He pled guilty to all 13 bank robberies and was sentenced to 40 years in prison.

United States v. James Edwards, Brandon Curtis, Dejuan Leonard, and Jamel Payne

James Edwards, Brandon Curtis, Dejuan Leonard, and Jamel Payne, members of Omaha's Murder Town Gangsters, participated in some or all of five bank robberies in Omaha between April and November 2004. Although the first two robberies were committed with BB guns, the later robberies were accomplished by means of firearms. Over \$55,000 was taken as a result of the robberies.

Curtis and Leonard, who were present for each of the robberies, received sentences of 135 months and 192 months, respectively. Edwards, who was arrested after the first two robberies, received an 87-month sentence. Payne, who replaced Edwards in the robbery ring, received a sentence of nine years imprisonment.

United States v. Larry D. Cage

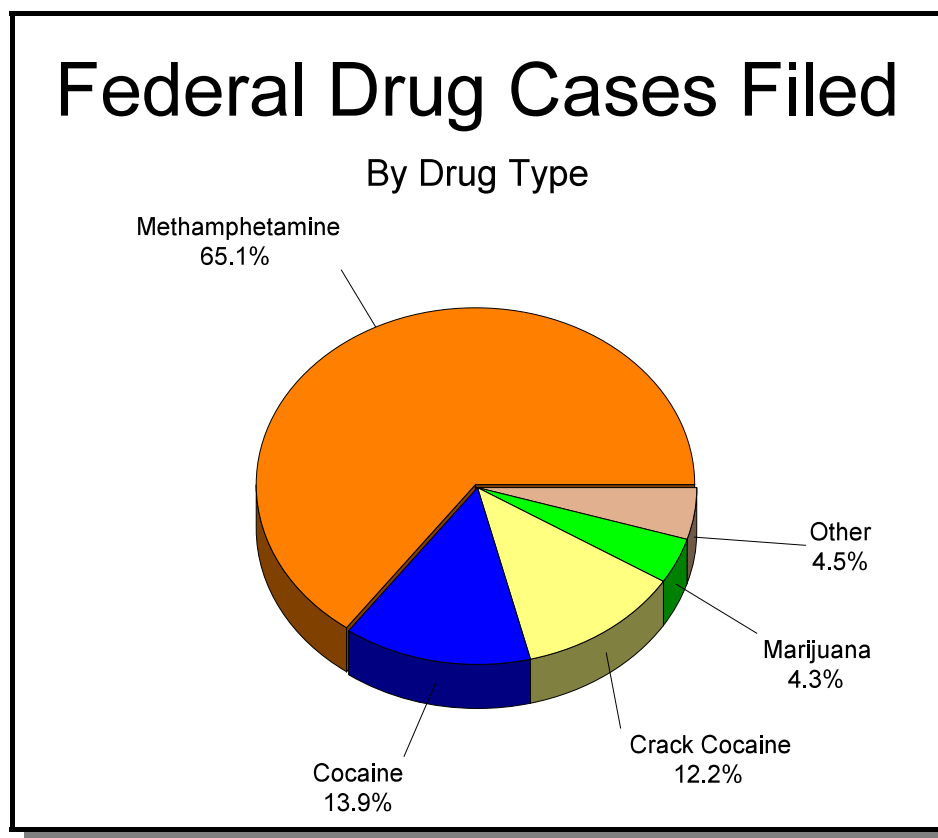
Larry D. Cage was sentenced in 2005 to 188 months in prison for being a felon in possession of a firearm. Cage had shot at his girlfriend in a domestic dispute. He was sentenced as a career criminal because he had prior felony convictions for burglary, assault with intent to injure, and assault with a dangerous weapon.



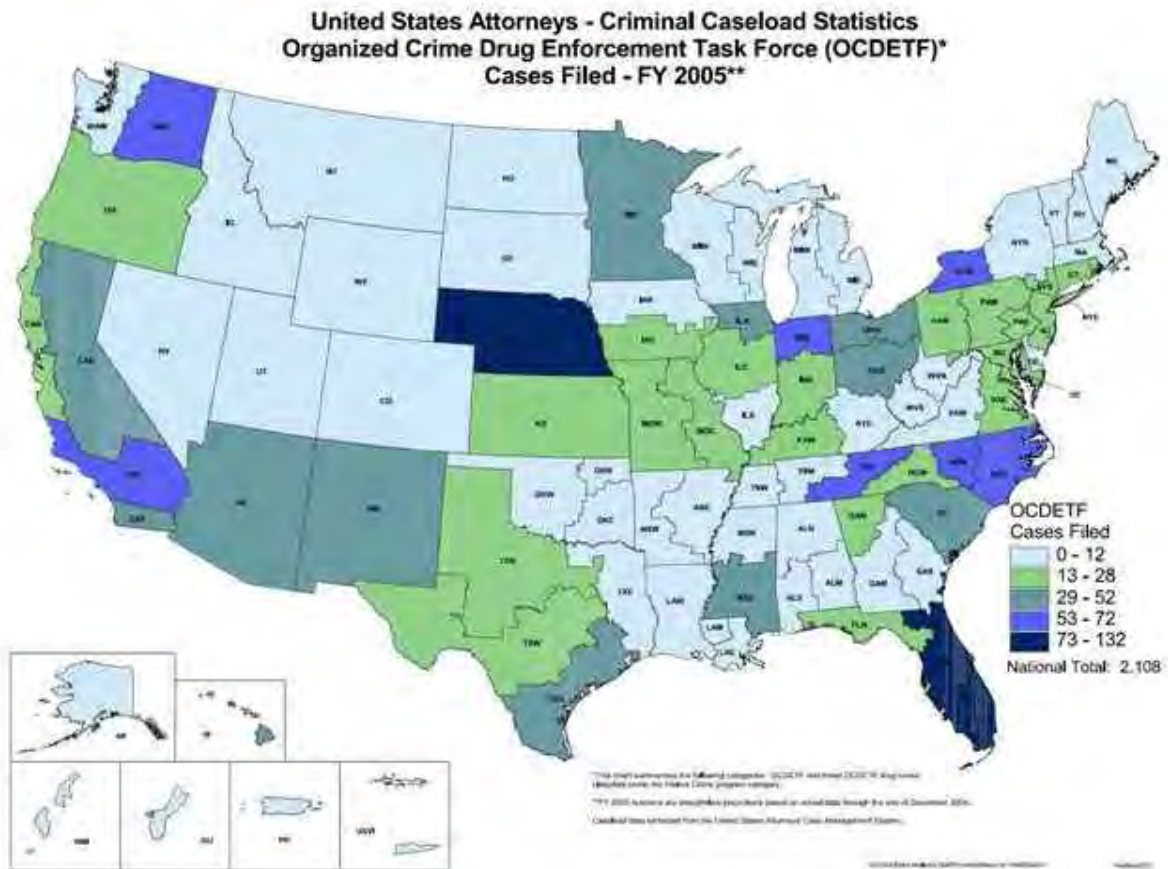
C. Drug Enforcement

In 2005, the United States Attorney's Office continued to commit significant resources to the fight against illegal drugs. Through cooperative agreements with the County Attorney's Offices in Douglas, Lancaster, and Hall Counties, the Office has been able to expand its prosecutorial resources through the appointment of Special AUSAs. The attorneys working on drug cases in the United States Attorney's Office are supported by extraordinarily cooperative investigative efforts of federal, state, and local law enforcement agencies. This cooperation greatly enhances the overall effectiveness of drug enforcement in the District of Nebraska.

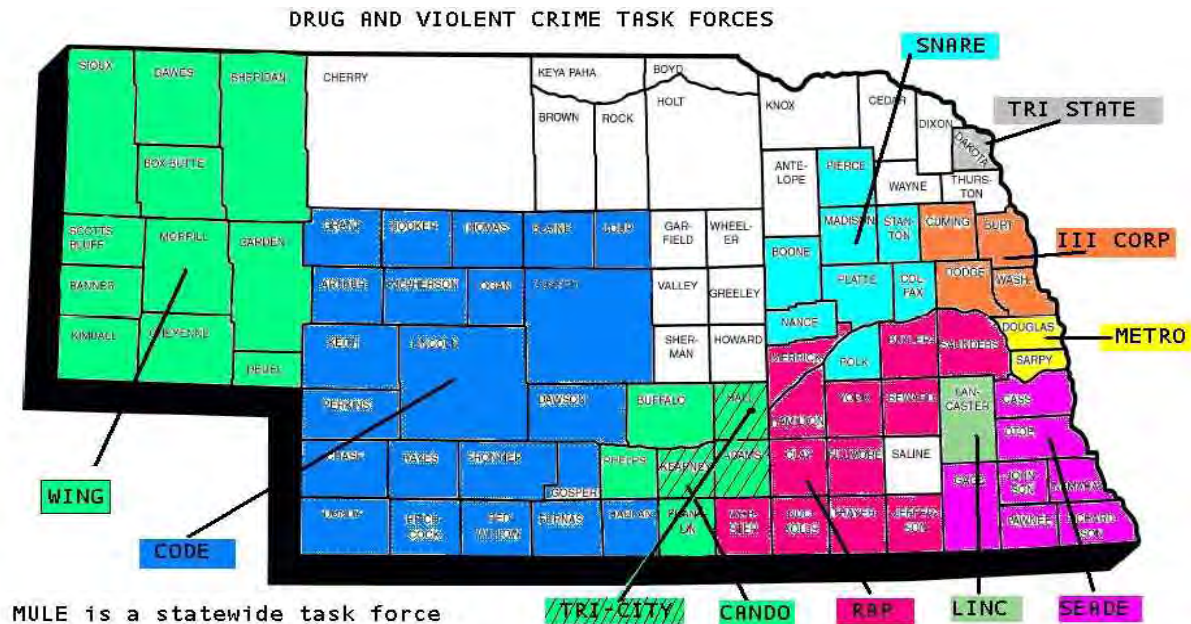
In keeping with national drug enforcement strategy, the United States Attorney's Office prioritized efforts in 2005 to identify, disrupt and dismantle drug trafficking organizations operating in Nebraska and elsewhere. The office filed 324 drug indictments and informations charging 550 defendants in 2005. A large majority of the charges involved methamphetamine. This chart reflects types of drug charges filed in the District in 2005.



The entire staff of the United States Attorney's Office Drug Unit is actively involved in the implementation of the West-Central OCDETF regional strategy, which targets priority drug trafficking organizations within the West-Central Region. In fiscal year 2005, District of Nebraska United States Attorney's Office was second in the nation in the number of OCDETF indictments filed. Nebraska's OCDETF Coordinating Group continues to be an active and dynamic body, extensively involved in the identification of large scale narcotics cases in the State. The Drug Enforcement Nebraska Task Force (DENT) Board, which includes the chief administrative officer/agent of several local, state and federal law enforcement agencies, guides the identification of cases to be prosecuted federally in the District of Nebraska, as well as those with connections to other districts and regions.



Attorneys from the United States Attorney's Office Drug Unit also continued to work with eleven law enforcement task forces made up of federal, state, and local agencies investigating illegal drug activity in various regions of the State. The task forces provide the investigative assistance necessary to develop evidence for use in drug prosecutions, and serve as a valuable mechanism for sharing intelligence on illegal drug activities between separate jurisdictions throughout the State. In cooperation with the task forces, local prosecutors and attorneys from the United States Attorney's Office determine which cases are appropriate for federal prosecution, and which should be prosecuted in the State court system.



CANDO = Compact for Apprehension for Narcotics Dealers and Offenders
 CODE = Central Nebraska Cooperative Operation for Drug Enforcement
 LINC = Lincoln/Lancaster County Drug Task Force
 METRO = Metro Omaha Drug Task Force
 MULE = Mid & Upper Law Enforcement
 RAP = Rural Apprehension Program
 SEADE = Southeast Area Drug Enforcement
 SNARE = Specialized Narcotics Abuse Reduction Effort
 WING = Western Nebraska Intelligence Narcotics Group

In recognition of the Office's emphasis on drug enforcement, United States Attorney Heavican and OCDETF Chief Mickle actively participate in national and regional working groups which are instrumental in formulating drug enforcement strategies. United States Attorney Heavican is a former National Chairman of the Attorney General's Advisory Committee Controlled Substances Subcommittee, which has develops, implements and evaluates the Department of Justice's national drug enforcement strategies. Mr. Heavican also serves on the Executive Committee of the Midwest High Intensity Drug Trafficking Area organization (HIDTA), an entity devoted to developing effective strategies to address the problem of illegal drug importation, manufacture, and distribution in the Midwest.



United States Attorney's Office anti-meth display at a Weed and Seed event

In addition to prosecuting drug cases, and as part of its overall effort to fight illegal drug use, the United States Attorney's Office conducts community outreach and education programs designed to discourage drug use. Members of the United States Attorney's Office staff regularly make presentations to schools and community groups on the dangers of illegal drugs, and participate in other public events addressing the subject.

Drug Enforcement Cases

United States v. Jesse Gutierrez and Adam Sommer

Jesse Gutierrez and Adam Sommer were sentenced to prison for 324 months each after their convictions for conspiracy to distribute more than 1,000 kilograms of marijuana and use of a weapon in furtherance of a drug trafficking crime. In March 2004, two persons were killed in Omaha in an ambush-style shooting believed to be linked to a marijuana distribution ring operating between Mexico, Arizona, Kansas, Colorado and Nebraska. Cooperators implicated the two defendants in the drug conspiracy, and attributed more than 1,000 kilograms of

marijuana and over \$230,000 to them. Both Gutierrez and Sommer were also convicted of first degree murder and use of a weapon in Douglas County District Court and received life sentences, plus a consecutive term of years, for the weapons convictions in state court.



United States v. Jolene Cortez and Jennifer Loving

Jolene Cortez, an elementary teacher at an Omaha school, was indicted in June 2005, after Omaha police searched her residence and located methamphetamine, scales and currency. Cortez admitted using methamphetamine and selling meth to others, including co-defendant Jennifer Loving. A search warrant at Loving's home revealed additional methamphetamine, scales, and over \$2,800 in currency. Both Cortez and Loving were sentenced to 57 month prison terms.

United States v. Samson Aldaco

Samson Aldaco was convicted in November 2005 on charges of conspiracy to distribute methamphetamine and use of a weapon during a drug trafficking crime. Aldaco was arrested in December 2001 after Stace Straw was shot and killed in a south Omaha residence, allegedly because Straw owed Aldaco money for a drug debt. Aldaco was convicted following an eight-day trial. He faces a mandatory life sentence.

United States v. Jerome Bass, a/k/a "Rommie"

Jerome Bass, a twenty-one-year-old Omaha resident, was convicted in September 2005 following a five-day jury trial for conspiracy to distribute crack cocaine in Omaha between 2001 and 2003. Seven conspirators who had been previously convicted in federal court provided detailed testimony implicating Bass in the sale



and purchase of over 500 grams of crack cocaine. He faces a sentence between 168 and 210 months.

Norfolk area drug conspiracy

This investigation began upon receipt of information that a number of individuals in the Norfolk area were involved in the distribution of illegal narcotics. Federal, state and local law enforcement agencies, including the FBI, DEA, Nebraska State Patrol, Madison County Sheriff, and Norfolk Police Department, participated in various aspects of the complex investigation, which involved wiretaps and electronic surveillance. More than 30 defendants were indicted in 2005. In addition, more than nine pounds of methamphetamine and over \$25,000 in currency has been recovered.

Those who have been convicted include Jesus Padilla, Pablo Reza-Landin, Ben Sukup, Mollie Moler, Scott Freese, Adrian Acosta, Manuel Cubillos, Mary Cubillos, Juan Cuevas, Stephen Jones, Andrew Donner, Rodrigo Hernandez, Sandy Lopez, Hector Avendano-Felix, Julio Soto, Alfredo Rodriguez, Edgar Zavala-Lopez, Jorge Aguilar, Alejandro Rivera, William Coates, Kay Hackett, Clifford Taylor, Candilaro Favala-Ramirez, and Manual Garcia. Sentences imposed have ranged from 18 to 240 months. Two defendants are awaiting sentencing.

Plattsmouth Clandestine Labs

Law enforcement officers in the Plattsmouth area developed information that Scott Forrest and others were buying large quantities of pseudoephedrine and using it to manufacture methamphetamine. Officers served a search warrant at Forrest's home which resulted in the seizure of precursor chemicals, equipment used in meth manufacture, surveillance cameras, firearms, over \$5,000 in currency, and methamphetamine. The search led to the arrest and indictment of Forrest and Michael Andrews.

From those arrests, officers developed information that implicated Scott Mink and Daniel Leaman in the distribution of

methamphetamine. Using a cooperating witness, officers made controlled buys of methamphetamine from both Mink and Leaman, which led to their indictment.

Lanny Iles, another Plattsmouth resident, was indicted after law enforcement officers served a search warrant at his home and discovered a working meth lab in his garage. Prior to his arrest, Iles had been charged in state court for possession of drug paraphernalia.



Michael Larsen, Terry Fogle and Sheri Plymale were arrested and charged after officers observed them buying large quantities of pseudoephedrine from various retail outlets. A traffic stop of the vehicle they occupied led to the discovery of pseudoephedrine and other chemicals and precursors used to manufacture meth. A search warrant executed at Larsen's and Plymale's home revealed additional pseudoephedrine, methamphetamine, and other equipment used to make meth.

Andrews received a 160 month sentence, and Forrest a 70 month sentence. Iles was sentenced to 24 months in prison, Larsen was sentenced to 96 months, Fogle to 60 months and Plymale to 37 months. Leaman and Mink are awaiting sentencing.

OCDETF–“Ghost Soldier” Investigation

Efforts of the DEA, Immigrations and Customs Enforcement, Nebraska State Patrol, North Platte Police Department and Lincoln County Sheriff's Department resulted in the successful prosecution of 14 defendants from North Platte

and western Nebraska. Investigators received information that Juan Figueroa-Valdez, Grady Vaughn and others were distributing pound quantities of methamphetamine and kilogram quantities of cocaine imported from Mexico in Kansas, Colorado and Nebraska. Using a confidential source and undercover DEA agent, investigators were able to buy over eleven ounces of methamphetamine from several suspects, and to record drug-related telephone conversations of the two main targets. All 14 defendants were convicted, and have received sentences ranging from 30 months to 151 months.

OCDETF–“Dirty Ice” Investigation

Omaha Police Department narcotics investigators received information that Douglas Linares was distributing methamphetamine and highly pure “ice” methamphetamine in the Omaha area. Despite being seriously injured in a motorcycle accident, Linares negotiated with an informant for the purchase of two pounds of methamphetamine directly from his hospital room. Linares sold a half-pound of cocaine to the informant, also from his hospital room.

In March 2005 two search warrants were executed, and arrests of Linares and the other suspects were made. Four pounds of meth, three kilograms of cocaine and over \$38,000 were seized. The search of an Omaha home revealed an additional four kilograms of methamphetamine, one kilogram of cocaine and fifty-five pounds of the cutting agent, MSM. Twelve defendants were indicted in Nebraska, including Linares and his two sources. Other suspects were indicted in the Southern District of Iowa or charged in state court in Nebraska. Efforts of the FBI in Omaha and Long Beach, the Omaha Police Department Narcotics unit, and the Douglas County and Sarpy County Sheriff's Departments were instrumental in the complete dismantling of this large and sophisticated drug trafficking organization.

United States v. Shelly Nuss et al.

This investigation involving the FBI, Nebraska State Patrol, Adams County Sheriff's Office, Clay County Sheriff's Office, Fillmore County Sheriff's Office, CANDO Drug Task Force, RAP Drug Task Force, Tri-Cities Drug Task Force, and Hastings Police Department began in June 2001 when information was received concerning a wide-ranging methamphetamine conspiracy centered at Shelly Nuss' rural Fillmore County farmstead. Three suppliers for Nuss, James Malone, Ricardo Gonzales Soto and Donald Norton, were indicted and convicted, and are serving federal sentences. A federal search warrant executed at the Nuss farmstead in February 2005 revealed video surveillance equipment, drug paraphernalia,

ledgers and financial documents that provided a chronology of specific drug transactions. Investigators were able to attribute over 145 pounds of methamphetamine to Nuss and those involved in the conspiracy. Many of the suspects received meth as payment for bookkeeping, or landscaping, remodeling and painting at the Nuss farmstead.

The investigation led to federal convictions for sixteen defendants, state charges for another eleven defendants, and dismantled the entire drug trafficking organization. Shelly Nuss was sentenced in to a term of 87 months. The 45-acre Nuss farmstead, including residence, barn, outbuildings and pasture, was forfeited. Over \$6,200 in cash and a handgun were also recovered.

D. Law Enforcement in Indian Country

Improving law enforcement in Nebraska's Indian Country continues to be a priority of the United States Attorney's Office. In recognition of this, United States Attorney Heavican participates in the Attorney General's Advisory Committee Subcommittee on Native American Issues, which monitors legal issues affecting Native Americans and develops policies and proposals to address those issues. Federal criminal jurisdiction applies on the Omaha and Winnebago Reservations, and retrocession of jurisdiction for criminal offenses committed on the Santee Sioux Reservation was accepted by the Secretary of Interior in early 2006.

The United States Attorney's Office has worked with the Tribes to determine what law enforcement issues are important to them and, where appropriate, has changed its prosecutorial policies to address Tribal concerns. For example, the Office has relaxed its narcotics prosecution guidelines for cases arising on the reservations in an effort to reduce drug abuse there through visible, aggressive criminal enforcement of drug laws. The Office sends at least one staff member to Multi-Disciplinary Team meetings, which involve review of reported child abuse cases occurring on the Reservations. The cases are then tracked to make sure the complaints receive appropriate follow-up and that cases are reported to law enforcement and social service agencies in a timely manner.



The United States Attorney's Office filed approximately 22 cases related to crimes occurring on the Omaha and Winnebago Reservations in 2005. Because of the special nature of federal jurisdiction in Indian Country, the cases involved crimes usually punished under state law, such as assault, sexual assault, and burglary, as well as more typical federal offenses, including drug charges.



In 2005, United States Attorney Heavican and other United States Attorney's Office managers continued their practice of traveling to the Omaha and Winnebago Reservations to meet with the Tribal Councils for the respective Tribes on a quarterly basis. United States Attorney Heavican and several Office staff members also worked with representatives of the Santee Sioux Nation, the Bureau of Indian Affairs, and state and local law enforcement agencies to develop procedures for effective law enforcement on the Santee Sioux Reservation upon retrocession of criminal jurisdiction for offenses committed there.



LECC Manager Jeanette and his staff continue to work to assist the Tribes in obtaining information on grants and other available resources. The Omaha and Winnebago Reservations are located primarily in Thurston County. Through the efforts of the United States Attorney's Office LECC Unit, much of Thurston County was declared a federal Weed and Seed site in 2003. That designation has allowed the release of federal grants for increased law enforcement, and for various other programs designed to improve conditions in the County. Programs supported by Weed and Seed have included a drug hotline and community activities for the Omaha and Winnebago Reservations, such as a youth softball league and a family fun day.



Devanta Saunsoci, a 6th Grader at Santee Community School, received an award for this drawing which was judged Best Overall in the U.S. Attorney's Office 2005 Native American Art Contest.

■ Indian Country Cases

United States v. Mary Moniz

Mary Moniz was convicted of assault with a dangerous weapon, assault causing serious bodily harm, and using a weapon in the commission of a crime of violence. Moniz, while on the Omaha Indian Reservation, shot another person in the leg during a domestic disturbance. She was sentenced to 144 months in prison.

United States v. Latoya Grant

Latoya Grant of Macy received a 138-month sentence for second degree murder in the death of her infant child. Grant's daughter, who was less than three months old at the time of death, died of blunt trauma to her head. It was determined that Grant, while on the Omaha Indian Reservation, had struck and thrown her daughter, resulting in the injuries that caused the death.



United States v. David Lee Smith

David Lee Smith, a teacher at Western Iowa Tech, was convicted of abusive sexual contact and witness tampering in Indian Country. The victim was a student who was having trouble in Smith's class. In order to get a passing grade in his class, Smith convinced the student to attend a spiritual walk in Homer, Nebraska, and then to go to his museum on the Winnebago Indian Reservation where the assault occurred. Smith also persuaded a witness to sign a false statement to be submitted to authorities. Smith was sentenced to 15 months in prison.

United States v. Diane Bird

Diane Bird entered a plea of guilty to the crime of traveling in interstate commerce with the intent to kill or injure an intimate partner. Bird traveled from Winnebago, Nebraska, to Sioux City, Iowa, where she met with an undercover agent of the FBI and negotiated to have her husband killed or, at the very least, hurt badly.

Bird told the undercover agent that she wanted her husband "out of her life." When Bird left the meeting, she detected surveillance. She then called her cousin, who had made the introduction to the undercover agent, and indicated that because of the surveillance she did not feel comfortable proceeding with the undercover agent. She asked her cousin to find someone else who would be willing to perform the same services. Bird was sentenced to a term of imprisonment of 12 months.

United States v. Daphne Evans

Daphne Evans was convicted of embezzling approximately \$70,000 from the Housing Authority of the Village of Winnebago. She was sentenced to five months imprisonment and ordered to make restitution in the amount of \$70,000.

E. Other Criminal Division Priorities

In recognition of the relationship between immigration cases and homeland security, the United States Attorney's Office has prioritized the prosecution of violations of the immigration laws, as well as cases involving the creation and dissemination of fraudulent immigration papers. More than 70 cases charging immigration violations were filed in 2005.

Cases involving child pornography and those involving identity theft are pursued aggressively because of the serious danger the crimes pose to the community. White collar prosecutions are also an important component of the general criminal caseload of the United States Attorney's Office. White collar cases filed in 2005 included several public corruption cases, as well as fraud, embezzlement, and theft cases.

II General Criminal Cases

CHILD PORNOGRAPHY

United States v. Bruce Scovill

Bruce Scovill photographed his three and five-year-old grandchildren posed in a manner that simulated sexual intercourse. Scovill then sent more than 10 depictions of child pornography by means of a computer to a residence in Connecticut. Scovill also sent video clips of child pornography, unrelated to his grandchildren, from his computer in Nebraska to Connecticut. Scovill has entered a plea of guilty to manufacturing child pornography. He is awaiting sentencing and faces a mandatory minimum sentence of 15 years.

IDENTITY THEFT

United States v. Michael Dunaway

Michael Dunaway was convicted of aggravated identity theft and making a false statement in connection with his purchase of a firearm. Dunaway was a fugitive from the State of Washington who was arrested at his residence in

Paxton. Dunaway was convicted in 1976 in Washington for first degree assault after he shot a police officer. Shortly after being sentenced, he escaped, but was found and prosecuted for the escape. Shortly after being sentenced on the escape charge, he escaped again, assumed the identity of another person and eventually moved to Nebraska. Dunaway pleaded guilty and is awaiting sentencing.

PUBLIC CORRUPTION

United States v. Donna Johnson

Donna Johnson of Omaha was a case worker for the Nebraska Department of Health and Human Services who was responsible for determining the eligibility of clients to receive benefits under various welfare programs. Johnson manipulated data to insure that some of her clients would receive extra benefits for which they were ineligible. She then obtained kickbacks from the clients, generally seeking half of the excess benefits the clients received. An audit of her files determined overpayments in 71 cases totaling more than \$180,000. In August

2005, a federal jury returned verdicts of guilty on all three counts of an indictment charging Johnson with mail fraud. Johnson was sentenced to two years imprisonment.

United States v. Fred P. Cappellano

Fred P. Cappellano, a former employee of the Douglas County Treasurer's Office, was convicted on four counts of embezzling funds from a local government agency which received federal funding. Cappellano concocted a scheme in which he redirected license refunds owed to a leasing company to himself. Cappellano obtained over \$121,000 through execution of the scheme. He was sentenced to 18 months imprisonment and ordered to pay restitution for all losses.

United States v. Jane Burchett

Jane Burchett was the Executive Director of the Wymore Housing Authority. She was convicted of embezzling approximately \$26,683 from a government agency receiving federal funds. She was sentenced to three years probation and ordered to pay more than \$19,000 in restitution.

United States v. Rock Mueller

Rock Mueller, a Health Program Manager for the Nebraska Department of Health and Human Services, was indicted on three counts of theft or bribery concerning programs receiving federal funds. The indictment alleges that Mueller was responsible for overseeing a contract let by the State of Nebraska to a private company hired to run a program designed to combat smoking. It is alleged Mueller accepted monies from the company in amounts totaling nearly \$74,000 to help win renewal of the government contract. It is also alleged that Mueller, in exchange for the monies, agreed to help the company win other government contracts. Mueller is currently awaiting trial.

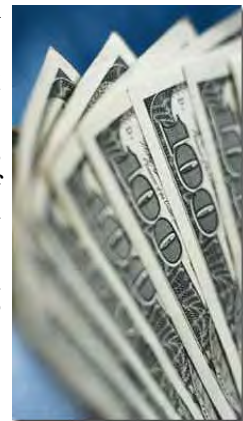
United States v. William Schwening and Russell Hoffmann

William Schwening was a cartographer for the U.S. Army Corps of Engineers in Omaha. Russell Hoffmann was a Vice President of a Missouri company which contracted to provide aerial mapping services for the Corps. Schwening and Hoffmann were charged in a multiple count indictment with, respectively, receiving illegal gratuities and paying illegal gratuities to a government employee. The indictment alleges that Hoffman offered, and Schwening accepted, gifts ranging from dinners to expensive golf clubs and vacations in connection with official acts performed by Schwening. The indictment also alleges that confidential pricing information was shared by Schwening with the Missouri company and that favorable evaluations of the company's performance were provided by Schwening. The case is currently awaiting trial.

FRAUD AND EMBEZZLEMENT

United States v. James McCart

James McCart was convicted of bank fraud in connection with his execution of a "check kiting" scheme affecting two Omaha banks which ultimately resulted in losses amounting to \$2.3 million. "Check kiting" is the illegal practice of manipulating account balances at multiple financial institutions through the deposit of checks backed by uncollected funds. McCart is awaiting sentencing.



United States v. Richard Carlson

Richard Carlson, former president of the Deuel County State Bank in Chappell, pled guilty and was sentenced for bank fraud. Between January 1999 and July 2003, Carlson used his position as president of the bank to make loans totaling \$745,000 to himself without approval from other bank officers. He was sentenced to four years imprisonment and ordered to pay restitution totaling \$1,888,179.

United States v. Lorie Vowers

Lorie Vowers, a former employee of the Security First Bank of Sidney, was convicted of bank fraud. In order to pay her personal debts, Vowers created credit card accounts in the names of 15 fictitious persons. Once she acquired the cards, she drew out the credit limit in cash at ATMs. Vowers then paid off the credit card debt by engineering a series of loans to fictitious clients. As the loan debts came due, she paid off old loans with new loans. She created 50 bank loan customers between 2002 and January 2005. Losses from the scheme amounted to approximately \$379,823.36. Vowers was sentenced to “time served” after it was verified she was ill. She was also ordered to serve five years of supervised release and to pay full restitution.

United States v. Herbert R. Hansen

Herbert Hansen of Lincoln was convicted of embezzling over \$298,000 from the Dorsey Laboratories Federal Credit Union between 1989 and 2004. Hansen admitted he took cash deposits from the credit union and falsified records to cover up the crime. Hansen was sentenced to 15 months in prison.

United States v. Robert Timothy Davis

Robert Timothy Davis of Elkhorn was convicted of one count of mail fraud. Davis

owned and operated several long haul trucking businesses which hauled goods nationwide for various customers, including Federated Department Stores. As a part of the normal course of business, Davis provided cargo liability insurance to his customers, such that if the cargo was stolen, the customer was entitled to payment for the loss. On two separate occasions, Davis defrauded Federated Department Stores, which was entitled to approximately \$309,609.21 in insurance proceeds as a result of the theft of two loads of Federated merchandise. Davis received the insurance proceeds from the insurance carrier but failed to provide the money to Federated. Davis was sentenced to incarceration for ten months and a supervised release term of three years. He was ordered to make restitution in the amount of \$309,609.21.



United States v. Vern Strauch, Phil Colley, and Blanket Corporation

Vern Strauch, Phil Colley and Blanket Corporation were convicted of various offenses in a scheme to defraud clients of Independent Living Apartments, Inc., a subsidiary of Blanket Corporation. Colley and Strauch obtained housing assistance payments from the Lincoln Housing Authority which were designed to reduce client's rent to the Independent Living Apartments. Colley and Strauch kept nearly \$100,000 of the money and converted it to their own use. Blanket Corporation pled guilty to committing health care fraud related to therapy services provided at the Stoney Ridge Day Treatment, Inc.. Blanket Corporation oversaw a scheme to bill Medicare, Medicaid and the State of Nebraska for therapy services in excess of services actually provided. As a result, government agencies overpaid Blanket

Corporation, through Stoney Ridge, over \$250,000. Colley was sentenced to 22 months in prison and Strauch was sentenced to one year and a day in prison. As part of the sentence, Colley, Strauch and Blanket Corporation agreed to pay restitution of \$250,000 to both individual victims and government agencies.

United States v. Randy Bowley & Todd Woods

Randy Bowley and Todd Woods were convicted of mail fraud in a scheme to defraud the Union Pacific Railroad through a fraudulent billing scheme. Bowley was an employee of the railroad and Woods was a contractor who did business with it. False billing invoices were submitted by Woods and knowingly processed for payment by Bowley in exchange for kickbacks. In total, approximately \$202,000 was obtained through execution of the scheme. Bowley cooperated in the prosecution and was sentenced to one year of incarceration. Woods has pleaded guilty and is awaiting sentencing.

United States v. Randall S. Pike & Charles S. Swift

Randall S. Pike and Charles S. Swift were each

convicted of conspiring to defraud the United States by causing the payment of false tax refund claims. Pike and Swift recruited individuals to file fraudulent federal income tax returns and created bogus W-2 Forms using the names and social security numbers of the recruited individuals. Pike and Swift told the individuals to take the false W-2 Forms to legitimate tax return preparers to have their tax returns prepared, causing refunds to be issued to the individuals which they were not entitled to receive. Pike was sentenced to 36 months in prison and Swift to 15 months in prison. Both were ordered to pay restitution in the amount of \$5,881.54.

United States v. David Wintroub

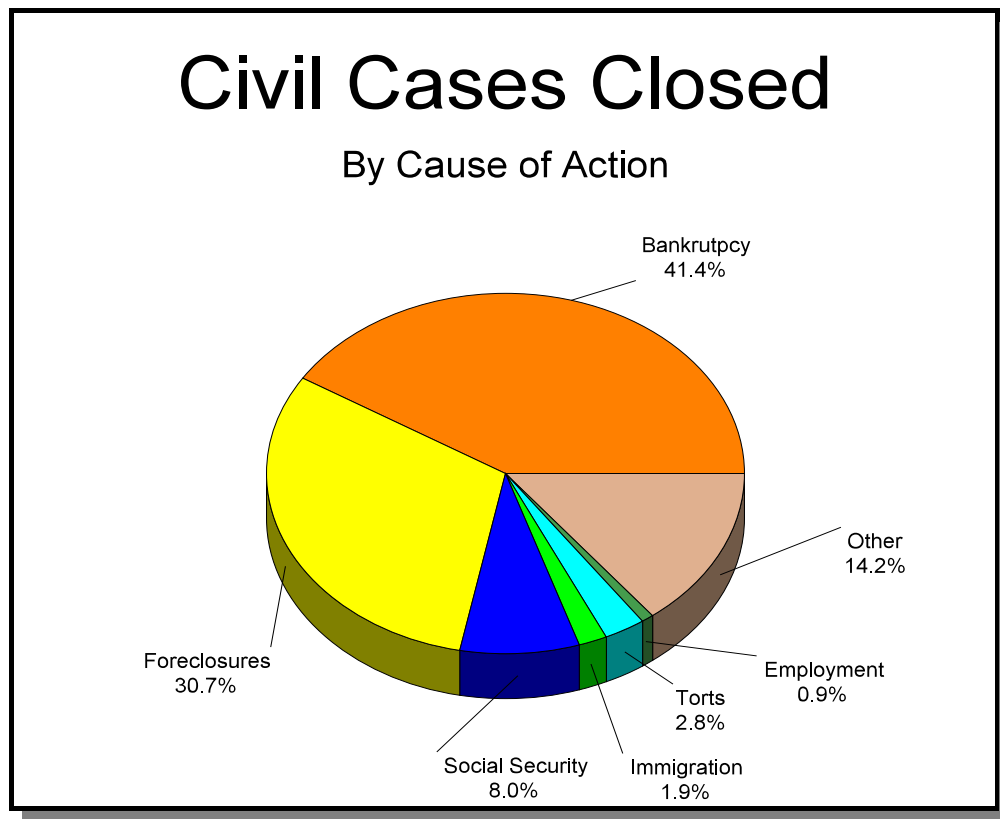
David Wintroub, an attorney practicing in Omaha, was convicted of structuring financial transactions to evade reporting requirements. Wintroub structured a total of \$67,000 in cash deposits at Wells Fargo Bank so as to avoid filing the Cash Transaction Report (CTR), required for any cash amount of \$10,000 or greater. Wintroub was sentenced to a term of imprisonment of eight months and a period of supervised release.



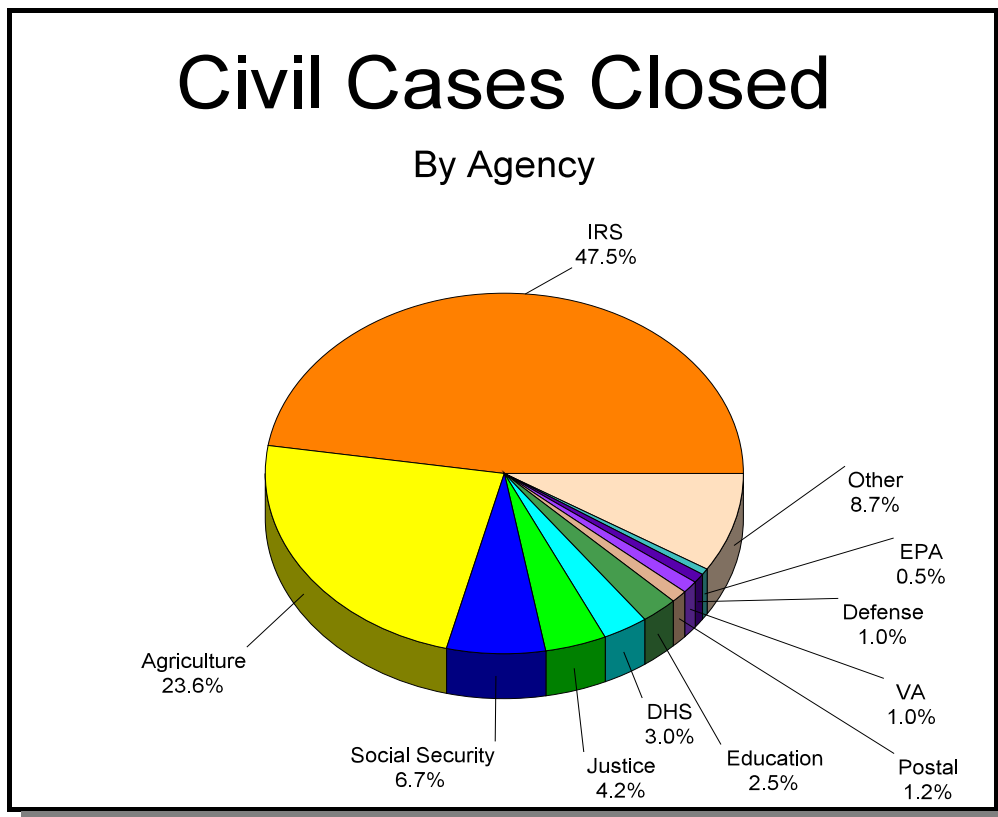
The Civil Division ■■



Attorneys in the Civil Division of the United States Attorney's Office represent the United States, as well as federal agencies, officers, and employees, in civil litigation in federal and state courts throughout Nebraska. Special AUSAs from the Internal Revenue Service and the Small Business Administration assist in handling bankruptcy and commercial cases. Work on 402 civil cases and matters was completed in 2005. Included in that number were defensive cases in which the validity of federal laws, or the acts of federal agencies and employees, were challenged. Also included were affirmative cases brought to enforce federal statutory and regulatory requirements, and to collect debts owed to the United States. The chart below depicts the types of civil cases and matters completed during 2005.



In 2005, the Internal Revenue Service and the U. S. Department of Agriculture continued to be the agencies involved in the largest number of civil cases in the District. The Civil Division also handled a significant number of Social Security cases and immigration cases on behalf of the Department of Homeland Security. In addition to working on immigration cases filed in Nebraska, the Office assisted the Department of Justice in addressing a backlog of cases filed in other regions challenging deportation determinations by the Department of Homeland Security. Cases involving the U. S. Department of Education, the U. S. Postal Service, the Environmental Protection Agency, the Defense Department, the Department of Veterans Affairs, and a variety of other federal agencies made up the remainder of the civil caseload in 2005.



A. Civil Litigation

In defensive litigation, the Civil Division continued efforts to provide quality representation to the United States and its agencies and officers in federal and state court cases. Civil Division AUSAs defended a number of cases brought in federal court to set aside or modify the actions of federal agencies and officers. Division AUSAs also handled several cases seeking damages for alleged negligence or other wrongful conduct by federal employees, as well as cases alleging discrimination in federal employment. In many of these cases, judgment was entered in favor of the United States on all claims. Even in those cases which were settled, or in which judgment was entered for the plaintiff, the amount of damages paid by the United States was significantly less than the amount sought by the plaintiffs.

The Civil Division of the United States Attorney's Office continued its Affirmative Civil Enforcement (ACE) program in 2005. The ACE program involves various initiatives designed to collect civil monetary penalties for violations of federal law, to recover costs incurred by regulatory agencies as a result of violations of federal requirements, and to obtain compliance with the requirements of federal law through civil litigation. In calendar year 2005, ACE cases resulted in court orders requiring several entities and individuals to comply with various federal laws, and in monetary recoveries of more than \$500,000.

The United States Attorney's Office's ACE program includes an active Health Care Fraud Task Force made up of civil and criminal AUSAs, investigators from various state and federal agencies, and representatives of insurance providers and intermediaries. The task force approach provides effective communication regarding the investigation of health care fraud in the District of Nebraska, and allows the United States Attorney's Office to pursue cases in the manner most effective to deter fraudulent activity and recover losses.

Other areas of emphasis in the ACE program include environmental enforcement and enforcement of civil rights laws such as the Americans with Disabilities Act. In 2005 the United States Attorney's Office worked on several civil environmental cases brought to recover civil penalties as well as the Environmental Protection Agency's response costs, and to obtain court orders requiring polluters to comply with environmental laws.

As in most years, Civil Division AUSAs also conducted a significant amount of litigation in 2005 to collect debts owed to the United States. Suits to obtain judgments for unpaid balances on delinquent loans made by agencies such as the U.S. Department of Agriculture, the U.S. Department of Education, and the U.S. Department of Health and Human Services comprise a significant portion of the Office's civil workload. Those cases are litigated in federal district court, in bankruptcy court, and in state courts throughout Nebraska.

■ Civil Cases

Barta Land Co., LLC v. United States

Owners of a tract of land in Cherry County sued to establish a right of way over neighboring land owned by the United States in the vicinity of Merritt Reservoir. A lodge and four cabins had been constructed on plaintiff's land, and the plaintiff sought a court order requiring the United States to permit persons traveling to the plaintiff's land to do so by crossing land owned by the government. After a trial in United States District Court in North Platte, the court entered judgment in favor of the United States and against the plaintiff.



Merritt Reservoir

Robert W. Earnest, Jr. v. United States

Robert W. Earnest, Jr., filed suit in United States District Court seeking damages for alleged medical malpractice by doctors at the Omaha Veterans Affairs Medical Center during surgery on the plaintiff's shoulder. The court entered judgment for the United States after a trial, finding that the medical care provided to the plaintiff met the applicable standard of care in all respects.

Suzanne Azizi, et al. v. United States

This suit was filed in United States District Court in Omaha to recover \$1.5 million in damages for

alleged medical malpractice by United States Air Force doctors in Florida related to the birth of her daughter in the early 1990s. The district court granted the motion for summary judgment filed by the United States, finding that the Air Force doctors were in no way negligent in the medical care they provided.

Daniel Unis, et al. v. United States

Four members of the Daniel Unis family of Pueblo, Colorado, filed suit in United States District Court in Denver to recover damages from the United States, as well as from individual federal, state, and local law enforcement officers involved in a joint state/federal drug task force investigation. The Unis family alleged that the officers were negligent and violated the Unis' constitutional rights during a warrantless search of the Unis residence and the arrest of two of the plaintiffs. The United States Attorney's Office for the District of Colorado was recused from the case, and the Nebraska United States Attorney's Office assumed responsibility for defense of the United States. Pursuant to a \$235,000 global settlement in which the United States paid \$100,000 to be shared by all plaintiffs, the case was dismissed.

Safwat Soliman v. United States Department of Agriculture

Safwat Soliman filed suit in United States District Court alleging that he was subjected to a hostile work environment and wrongfully terminated from his employment with the Food Safety and Inspection Service in Lexington. The district court granted summary judgment to the U.S. Department of Agriculture, and that judgment was affirmed on appeal.

Classon v. United States Department of Agriculture

Steven Classon filed suit in United States District Court to challenge a determination by the Farm Service Agency that constructive delivery of grain stored on his farm near Beaver City did not constitute delivery for purposes of a marketing authorization under the marketing assistance loan program. The district court upheld the agency's position, and that judgment was affirmed on appeal.

Quentin K. Tanko v. United States

Quentin K. Tanko was a Creighton University medical student who signed agreements awarding him National Health Service Corps Scholarships to finance his medical education in exchange for his commitment to work after graduation as a doctor in an under-served region. In his third year of medical school, Tanko withdrew from the program. As a result, the agency determined that, under the terms of the agreements he had signed, Tanko was liable for repayment of three times the amount of the scholarships he had accepted for his first two years of medical school. Tanko filed suit to

challenge the determination, asserting that he was required to repay only the \$88,731 he had received in scholarships, with interest. The United States counterclaimed for \$266,193, representing treble damages, plus interest. The district court ruled for the United States, ordering Tanko to repay \$410,545.77 plus continuing interest from the date of judgment until payment was made. The judgment was affirmed on appeal.



United States v. City of McCook

The United States sued the City of McCook in United States District Court for violations of the Safe Drinking Water Act resulting from excessive levels of nitrates and uranium in the City's public water system, and for violations of the Clean Water Act resulting from discharges from the City's water treatment plant into the Republican River. As a result of the problems with the City's public water system, children and pregnant women in McCook were forced to drink bottled water for some time. A Consent Decree resolving the suit was entered in 2005. Under the terms of the Decree, the City agreed to complete corrective action and to pay a civil penalty in the amount of \$225,000, of which \$175,500 was paid to the United States and \$49,500 was paid to the State of Nebraska.

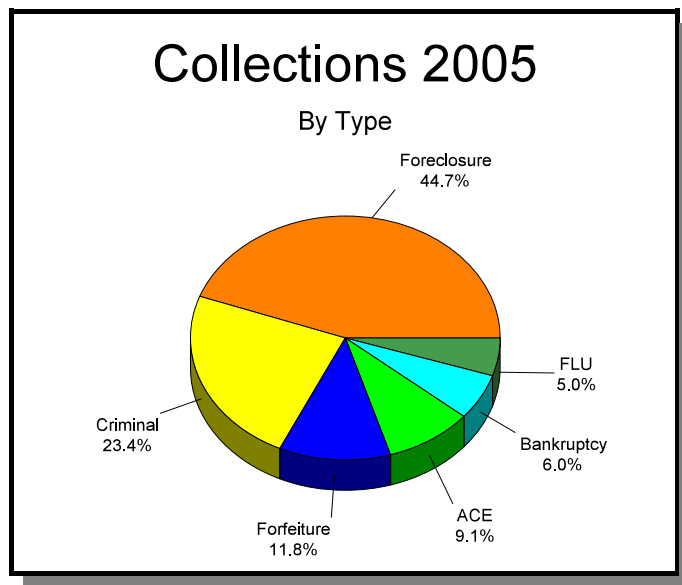
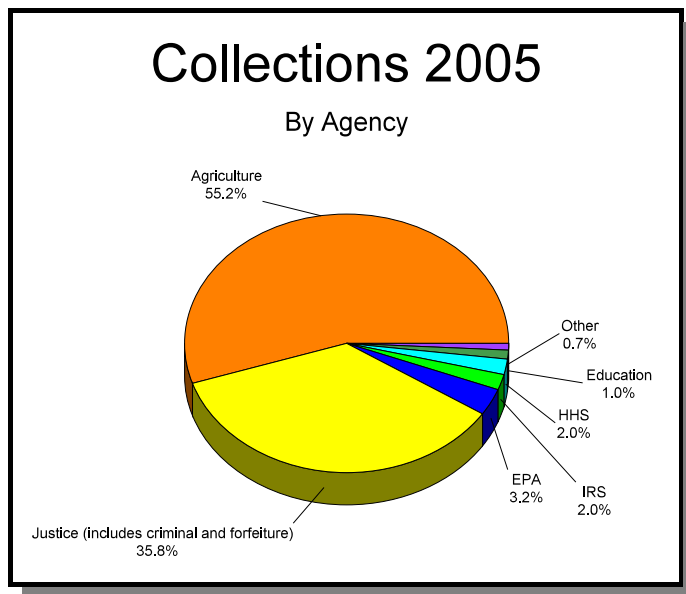
United States v. AGP Corn Processing, Inc.

The United States sued AGP Corn Processing, Inc., for violations of the Clean Air Act resulting from the operation of AGP's ethanol plant in Hastings. A Consent Decree resolving the suit required AGP to purchase and install equipment valued at approximately \$5.5 million to reduce emissions from its plant, and to pay a \$40,000 civil penalty, which was divided equally between the United States and the State of Nebraska.



B. Collection of Judgments

A major function of the United States Attorney's Office Civil Division is to collect debts owed to the United States as a result of fines and judgments for restitution imposed in criminal prosecutions, and judgments awarded to the United States and its agencies in civil litigation. In 2005, the Civil Division's Financial Litigation Unit collected more than \$6 million. Total recoveries for individual agencies are reflected in the chart on the right.



Civil and ACE cases accounted for nearly \$4 million in collections in 2005. Collections of criminal fines and restitution totaled more than \$1,417,000. Forfeiture cases, both civil and criminal, resulted in the recovery of cash and property valued at over \$714,000. Total collections by type are reflected in the chart on the left.

A large percentage of the money collected by the United States Attorney's Office is forwarded to federal agencies for repayment of loans and other federal program obligations. Some of the recoveries,

such as those obtained for the Environmental Protection Agency, are used to reimburse agencies for costs expended in implementing and enforcing federal programs. Criminal restitution collected is delivered directly to crime victims, and criminal fine and assessment recoveries are used to fund federal programs for the benefit of the victims of crimes. Much of the money and property obtained through asset forfeiture litigation is redistributed to federal, state, and local law enforcement agencies for use in criminal investigation work.

Law Enforcement and Community Coordination

The mission of the United States Attorney's Office Law Enforcement Community Coordination (LECC) Unit is to assist law enforcement and criminal justice agencies throughout the District of Nebraska, and to facilitate community-based efforts on issues related to criminal justice. The LECC Unit conducts a number of programs designed to coordinate law enforcement at various levels, to provide training, to provide victim and witness services related to federal prosecutions in the District, and to conduct community outreach. Many of the activities of LECC are undertaken in cooperation with Project Safe Neighborhoods and the Midwest HIDTA Initiatives in Nebraska.



DeMaris Johnson, Executive Director County Attorney's Association (center), pictured with U.S. Attorney Mike Heavican (left), and LECC Coordinator Joe Jeanette (right) at the 2005 LECC Conference

The LECC Unit has worked to develop strong collaborative partnerships between federal, state, tribal and local law enforcement agencies, as well as other public and private entities throughout Nebraska, in order to improve the effectiveness of law enforcement in the District. The LECC Unit provides assistance to law enforcement officials and prosecutors seeking grants or other funding as well as technical assistance. The LECC Unit also arranges for the use of video teleconferencing equipment for training and meetings of law enforcement agencies across the District, and can arrange for national links if needed.

The LECC Unit coordinates closely with the Nebraska Crime Commission in the planning and implementation of activities such as grant administration, data sharing, research, law enforcement training, and other specific projects. The LECC staff also works with the Nebraska Sheriff's Association, the Police Officers Association of Nebraska, the Police Chiefs Association of Nebraska and the Nebraska County Attorneys Association to develop and present training on subjects related to law enforcement. A three day criminal justice conference hosted by the United States Attorney's Office and cosponsored by the Nebraska County Attorneys Association is held in Kearney each year. The 2005 conference was attended by 250 law enforcement officers and prosecutors. Training on a number of topics including Law Enforcement and the Media, Conducting Large Scale Search and Rescues, Police Trauma Syndrome, and Inside the Criminal Mind was conducted. Awards recognizing accomplishments in law enforcement were also presented.

In addition to the annual LECC Conference, various training on topics of interest to law enforcement officers, prosecutors, other criminal justice officials and community members is coordinated by the LECC Unit. Narcotics Investigation training is provided every two years at the Nebraska Law Enforcement Training Center. Each year, the LECC co-hosts training conferences on victim rights and Native American issues. Project Safe Neighborhoods training has been provided to law enforcement agents, prosecutors and domestic violence advocates as new facets of the program have been unveiled across Nebraska.

Specialized training conferences have been provided as needed or requested by criminal justice officials. For example, in March 2005 the United States Attorney's Office co-hosted an event with the Omaha Police Department entitled *Summit Against Violence*, a day long training for the community on drug and violent crime enforcement and prevention programs. In April 2005, the Office and the Omaha Police Department co-hosted a training conference for law enforcement, prosecutors, and the community entitled *Investigating and Preventing Stalking Crimes - Are You Safe?* This training was designed to assist law enforcement officers and prosecutors in investigating and building cases against stalkers, and also to provide insight to the phenomena of stalking and the trauma experienced by victims of stalking. In September 2005, LECC co-hosted the second annual *Protect our Children Conference* in Kansas City. At the conference, over 300 law enforcement officers, prosecutors, probation officers, social service workers and child protective service experts received training on the prevention, detection, investigation, and prosecution of child sexual abuse cases. Also in 2005, over 80 Law Enforcement Officers from the Omaha Metropolitan area were provided Federal Case Development training. The training covered topics including Money Laundering and Asset Forfeiture, Working with Informants, Brady/Giglio Issues, and case coordination.

The LECC Unit partners with the Federal Bureau of Investigation to provide assistance to victims of federal crime from the time of the occurrence of the crime through the completion of the prosecution. The system, known as VNS, provides notices to victims reflecting the status of investigations and developments in cases accepted for prosecution. Members of the LECC staff also provide direct and personal assistance to victims and other witnesses during the course of a federal prosecution. In 2005, the LECC victim witness staff worked to develop enhanced procedures to assure that victims received all assistance mandated by the Justice For All Act.

Another collaborative effort of the United States Attorney's Office is the Weed and Seed program. Weed and Seed is a community-based, multi-agency approach to law enforcement, crime prevention, and neighborhood restoration. The Weed and Seed strategy brings federal, state, and local law enforcement agencies together with prosecutors, social services providers, representatives of the public and private sectors, business owners, and neighborhood residents to further the common goal of weeding out crime while seeding in social services and economic revitalization. The LECC Unit has assisted in the formation of Weed and Seed sites in the northeast and southeast areas of Omaha, and a third Weed and Seed site in Thurston County which serves the Winnebago and Omaha Indian Reservations. All of the Weed and Seed sites benefit from increased federal financial assistance and increased strategic cooperative efforts directed to achieving the goals of the program.



Omaha Police Chief Tom Warren, North Weed & Seed Coordinator Andrea Anderson-Lucas, and U.S. Attorney Mike Heavican at a Weed & Seed parade in June 2005

Co-located with the United States Attorney's Office's LECC Unit is the Nebraska Office of the Midwest HIDTA Initiative. The Midwest HIDTA focuses on decreasing the importation, distribution, manufacture, and demand for illegal drugs within the Midwest Region, which includes Nebraska and neighboring states. Intelligence information on drug activity is compiled and disseminated through the Nebraska Law Enforcement Intelligence System (NELEIS), maintained by the State Patrol. The HIDTA Initiative, in addition to supporting law enforcement and prosecution, has developed a number of drug abuse prevention programs.

LECC Manager Jeanette continues to serve as a member of the Policy Workgroup of the Nebraska Partners in Prevention, which is responsible for devising the criteria and protocols for the distribution of drug prevention grants to various agencies throughout the State. He also serves on the Advisory Board of the Regional Community Policing Institute of Wichita State University, which is responsible for providing training to law enforcement in the community.

■ 2005 LECC Awards

Officer Jeff Gassaway and Officer Mark Noonan, Omaha Police Department. These two officers received the Top Award for their superb efforts in addressing the violent street gang problem in Omaha. During calendar year 2004 these officers, through the Project Safe Neighborhoods Guns, Gangs and Drugs meetings, presented over 100 cases for federal prosecution on gun and/or drug charges. One case, entitled *Alcatraz*, involved the indictment of at least 117 individuals and led to sentences averaging 140 months. Most of the defendants charged were related to gangs. The efforts of Officers Gassaway and Noonan led to the incarceration of many of the leaders and enforcers of area street gangs, and a reduction in gang shootings and turf wars in Omaha.



Omaha Police Officers Jeff Gassaway (left) and Mark Noonan (right) receive the Top Award from U.S. Attorney Mike Heavican

Patricia Lostroh, Nebraska Coalition for Victims of Crime. Ms. Lostroh was recognized for her efforts in the area of victim's rights, including work on legislation to benefit crime victims, training at the Nebraska Law Enforcement Training Center, work with the Department of Corrections on Victim/Offender Mediation issues, and work with *Genesis Personal Development Center Inc.*, a home and learning center for victims of domestic violence in David City, Nebraska.



Deputy Jeff Chitwood of the Scottsbluff County Sheriff's Office was recognized for his work on an OCDETF case

Deputy Jeff Chitwood, Scotts Bluff County Sheriff's Office. Deputy Chitwood, a WING drug task force investigator, was recognized for his work on the OCDETF drug case, BuffaloSoldiers 2. The investigation led to nine indictments in Nebraska and 40 in Wyoming, and also involved Colorado, Nevada, Texas, and the Republic of Mexico. Drug weights attributed to one defendant alone were 25 pounds of methamphetamine, 10 pounds of cocaine, and 700 lbs of marijuana – with street value of about \$1.135 million. The case impacted the Scottsbluff community, western Nebraska, and in other communities throughout the United States.

Lieutenant Tim Conahan, Omaha Police Department. Lieutenant Conahan was recognized for his work in the area of homeland security. As commander of OPD's Emergency Response Unit, Bomb Unit and the TSA Explosive Detection Canine Unit, he developed plans to provide emergency vaccinations and equipment for officers, and to obtain a bomb truck, an Andros F6A robot and a bomb containment vessel for the Omaha Metropolitan area. He also aided in the planning of a terrorism exercise drill for emergency responders in the Omaha Metropolitan area, and developed training for emergency response units.



Omaha Police Lieutenant Tim Conahan accepts an award for his work in Homeland Security

Bill Hobbs, formerly of the Nebraska State Patrol. Mr. Hobbs was recognized for his work in the implementation of various criminal justice information systems which enhanced the ability of the State Patrol to exchange information with other entities.



Assistant U.S. Attorney Susan Lehr, left, receives the Prosecutor of the Year Award

Assistant United States Attorney Susan Lehr, United States Attorney's Office. Ms. Lehr received the Prosecutor of the Year award for her extraordinary work in the *Strawman* OCDETF case, a methamphetamine and firearms trafficking prosecution. The investigation was initiated after an Omaha man was murdered by a group of Mexican nationals who had come to Omaha to collect a drug debt. Interviews indicated that the murder case was related to a large meth conspiracy. The investigation spread to the states of Kansas, Iowa, Arizona, California and into Mexico. More than 60 individuals were indicted, and resulting convictions led to sentences averaging more than ten years.

Sergeant Scott Christensen, Investigator Scott Haugaard, Computer Forensic Analyst Tracey Pester, and Computer Forensic Analyst Laurie John, Nebraska State Patrol – Internet Crimes Against Children Unit. These individuals were recognized for their work in the multi-disciplinary Internet Crimes Against Children Unit of the Nebraska State Patrol, which has proactively pursued persons engaged in online sexual exploitation of children. Dozens of individuals have been prosecuted as a result of the efforts of the ICAC Unit. Training on a variety of topics such as computer seizure and digital evidence, basic data recovery and protecting children online has been provided by the ICAC, and through public education and outreach programs the ICAC has made over 250 presentations to 20,000 people on internet safety.

■ ■ Conclusion

During 2005 the Nebraska United States Attorney's Office continued its efforts to provide excellent representation to the United States, to assure the success of federal programs in the State and to serve the people of Nebraska. Through cooperative efforts with state and local law enforcement agencies, as well as other public and private entities, the United States Attorney's Office has sought to improve the quality of life for all Nebraskans. By continuing our cooperative endeavors we hope to build on the accomplishments of established programs, and to develop new initiatives that will effectively address future issues as they arise.

■ ■ Contact Information

For further information about the United States Attorney's Office for the District of Nebraska, please visit our website at www.usdoj.gov/usao/ne.